

IMPORTANT INFORMATION REGARDING THE FAMIS PROGRAM

As you may be aware, the authorization for the State Child Health Insurance Program (SCHIP), which in Virginia is called the Family Access to Medical Insurance Security (FAMIS) program, expires on September 30, 2007. Virginia supports the reauthorization of this important program. However, given the current uncertainty of the reauthorization of this program at the Federal level and the late date, we wanted to provide assurances that Virginia's program will continue to provide health care coverage to more than 80,000 children and 800 pregnant women on October 1, 2007.

We have been assured by representatives from the federal Office of the Secretary of Health and Human Services and from the Centers for Medicare and Medicaid Services (CMS), **that unspent SCHIP grants (the federal funding component of the FAMIS program) will still be available to states even in the absence of reauthorization by October 1.** Current estimates indicate that the remaining federal fiscal year 2007 allocation to Virginia will continue to sustain the FAMIS program through the March 2008 timeframe. It is also important to understand that there is a potential for Congress, in the absence of reauthorization, to continue the program temporarily through Continuing Resolution, until a reauthorization plan can be agreed to.

We eagerly anticipate federal clarity on the future of SCHIP, and will react accordingly once details become available. However, regardless of the outcome of legislation (H.R. 976), **the FAMIS program will continue to operate as is on October 1.** We intend to inform all providers of any future modifications to the FAMIS and Medicaid programs as a result of the debate in Congress.